IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

APPEAL FROM ORDER No. 361 of 2005

For Approval and Signature:

HONOURABLE MR.JUSTICE KSHITIJ R.VYAS

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1 Whether Reporters of Local Papers may be allowed to see the judgment ?

2 To be referred to the Reporter or not ?

3 Whether their Lordships wish to see the fair copy of the judgment ?

4 Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?

5 Whether it is to be circulated to the civil judge ?

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NEON LABORATORIES LTD - Appellant(s)

Versus

MEDICAL TECHNOLOGIES LTD & 2 - Defendant(s)

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Appearance :

MR MIHIR THAKOR Ld. SR. COUNSEL with MR RR SHAH for Appellant(s) :
MR SN SOPARKAR Ld. SR. COUNSEL With MR YJ TRIVEDI, JATIN Y. TRIVEDI AND MR. SAMRAT N. MEHTA for Opponents no. 1 & 2.
NOTICE SERVED for Opponent No. 3.

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CORAM : HONOURABLE MR.JUSTICE KSHITIJ R.VYAS

Date : 19/12/2005

CAV JUDGMENT

1. The appellant – ori. Defendant no. 1 in Reg. Civil Suit No. 1244/2005 has challenged the order dated 17.10.2005 confirming the ad interim injunction granted

in favour of respondents no. 1 and 2 (Ori. Plaintiffs) by the ld. City Civil Judge, Ahmedabad, passed below notice of motion ex. 6. The parties hereinafter be referred to as the plaintiffs and defendant for brevity.

2. The plaintiffs have filed the suit for injunction, damages and accounts of profits. The plaintiffs no. 1 and 2 are the companies incorporated under the Companies Act, 1956, having their registered office at Ahmedabad and they are engaged in the business of pharmaceutical drugs and medicinal preparations for last number of years. According to them, they have acquired high reputation and goodwill in the market. It is the case of the plaintiffs that the predecessor in title of the plaintiff no. 2 is the first plaintiff company who had introduced the word molecule 'PROFOL' in India. They have made an application before the Drug Controller of India on 22.4.1998.

3. It is the case of the plaintiffs that the predecessor of plaintiff no. 1 in title have coined and invested the trade mark “PROFOL” in April, 1998, and subsequently, thereafter from time to time, the licence was given to the plaintiff companies for the trade mark “PROFOL”. It is the case of the plaintiffs that as per the order of this court in Amalgamation Company Petition No. 295/1999, the plaintiff no. 1 has become owner of the

entire business and assets of predecessor-in-title thereof on 17.2.2000, and thereby the plaintiff no. 1 has become owner of trade mark “PROFOL”. The plaintiff no. 2 is a licensee of the plaintiff no. 1 and at present, the plaintiff no. 2 is manufacturing products bearing trade mark “PROFOL”.

4. According to the plaintiffs, the trade mark “PROFOL” was used by the predecessor in title of the plaintiffs openly, extensively and continuously in Indian market since 1998, and after the amalgamation, the plaintiff no. 1 has become owner and he is using the said trade mark “PROFOL” and the plaintiffs are using the trade mark “PROFOL” since the year 2000 openly, extensively and continuously. Accordingly to the plaintiffs, the said trade mark has acquired distinguish place in the market, traders, consumer and general public identify and recognize the plaintiffs product by the trade mark “PROFOL”.

5. It is further the case of the plaintiffs that the plaintiff no. 1 had applied for the registration of the said trade mark bearing application no. 803692 on 24.5.1998 in Class-V. The plaintiff has also made necessary application in the Trade Mark Registry to

change the name of proprietor as the original application was made by the predecessor in title of the plaintiff no. 1. It is also case of the plaintiffs that the plaintiffs are also marketing the said goods and exporting the medicinal and pharmaceutical products outside India. The plaintiffs have made an application for manufacturing drugs and pharmaceutical products in India and various countries have very wide marketing network.

6. It is the case of the plaintiffs that the plaintiffs have come to know that the defendant no. 1 has introduced the product with a trade mark “ROFOL” in which the letter “P” is deleted. The defendant no. 2 is the local medical store who is selling the product of the defendant no. 1's products under the trade mark “ROFOL”. According to the plaintiff, the defendant no. 1 has adopted the identical and deceptively similar to the well-known trade mark “PROFOL” of the plaintiffs. According to the plaintiffs, the use of the trade mark “ROFOL” by the defendant no. 1 is nothing but malafide intention to pass off their goods and for the goods of the plaintiffs, and therefore, the plaintiffs are likely to suffer irreparable loss and damages, high reputation, goodwill, used by the plaintiffs under the trade mark “PROFOL”. It is also the case of the

plaintiffs that the defendants are marketing and passing off their products to Ahmedabad City through the defendant no. 2 – chemist within the territorial jurisdiction of the trial court. It is submitted that in the interest of justice, the defendants are required to be restrained from using the trade mark “PROFOL”. According to the plaintiffs, the defendants have encroached upon the plaintiffs' intellectual property rights.

7. Though the summons was duly served upon the defendants, the defendant no. 2 have not appeared to resist their case. The defendant no. 1 has appeared in the trial court through advocate and filed written statement at ex. 26, wherein, has inter alia contended that the defendant no. 1 is a registered proprietor of the trade mark containing the word “ROFOL” under No. 583227 dated October 19, 1992, in respect of pharmaceutical in Class-V. The said mark was duly renewed from time to time by the defendant no. 1 and its registration was valid, subsisting and in force. It is admitted by the said defendant that the trade mark “ROFOL” is used by the defendant since 16.10.2004 for the of Anaesthetic preparations. The said mark is advertised on extensive scale amongst the doctors and

retailers.

8. That according to the defendant no. 1, the plaintiff has applied for the registration of trade mark in Class-V in respect of pharmaceutical and medical preparation which is virtually identical to the defendant's prior registered trade mark of defendant “ROFOL”. The plaintiff has taken the registered trade mark “ROFOL” as a whole and just added the letter “P” to it. According to the defendant no. 1, the trade mark “PROFOL” being used by the plaintiff is dishonestly and attempt to actuate by malafide intention to derive the benefits from the registered trade mark of the defendants “ROFOL”. The plaintiff no. 1 has dishonestly adopted the trade mark “PROFOL” and reputation enjoyed by the defendants in the market. According to the defendant no. 1, the trade mark “PROFOL” will be prejudicial to the public interest and contrary to the universally adopted principles of ethics and morality. The use of trade mark “PROFOL” by the plaintiff no. 1 will undoubtedly cause great, inconvenience, loss and hardship to the defendants and other pharmaceutical manufacturers in general. The registration of the trade mark would be contrary to the provisions of sec. 9(2) (a) of the Trade Mark Act, 1999. It is also pleaded

that the defendant no. 1 had also applied for the registration of trade mark “PROFOL” in prior to the plaintiff bearing application No. 677497 dated 14.8.1995 which is still pending for usual procedure. According to the defendants, the application of the plaintiff no. 1 dated 24.5.1998 is about 3 years subsequent to the defendant's application for the same trade mark “PROFOL”in respect of pharmaceutical and medicinal preparations.

9. The defendant no. 1 has also submitted that the rival word marks “PROFOL” and “ROFOL” per-se sound similar to, but, entire packing, are totally different, and hence, no passing off action is maintainable. It is submitted that the rival marks are required to be compared as a whole is used, and there would be no confusion or deception in the trade or in consuming public. It is also contended that the plaintiff is not a registered proprietor of the suit trade mark. It is also contended that no cause of action has ever arisen for the plaintiff to file the present suit in the trial court against the defendants, and therefore, the suit deserves to be dismissed on this count alone. It is also contended that the plaintiffs are limited company and, hence, the present suit is verified by a

person who has no authority to sign and verify the suit, injunction application and affidavit. Hence, the suit is not maintainable. The defendants have also denied all the averments of the plaint and notice of motion application in toto.

10. It is also contended by the defendants that the grant of interim injunction against the defendants pending the final hearing and disposal of the suit, the defendant's business in the said goods would be entirely uprooted and hampered. It is also contended that the balance of convenience is also not in favour of the plaintiffs but in favour of the defendants. There is no prima-facie case in favour of the plaintiffs. The documents produced by the plaintiffs are false, fabricated and misleading and the interim injunction granted in favour of the plaintiffs deserves to be vacated forthwith.

11. The ld. Trial Judge after hearing ld. Advocate appearing for the parties and considering the material produced, held that the plaintiff has prima-facie established all the ingredients like prior user, deceptively similarity and establishment of goodwill. According to the ld. Judge the plaintiffs have

established a prima-facie case in their favour. The balance of convenience is also in favour of the plaintiffs and if the injunction is not granted, it will cause future loss to the plaintiffs, and hence every possibility that the goods of the defendants' may pass off as that of the plaintiffs. He, therefore, confirmed ad interim injunction granted earlier till the final disposal of the suit. Hence, the present appeal.

12. Heard Mr. Mihir Thakore ld. Sr. Counsel for Mr. RR Shah ld. Advocate appearing for the appellant/appellant and Mr. SN Soparkar ld. Sr. Counsel for Mr. YJ Trivedi appearing for the respondents/plaintiffs.

13. Mr. Thakore ld. sr. counsel for the appellant/defendant submitted that the trial court failed to appreciate the fact that to the rival word marks “ROFOL” and “PROFOL” of the defendant and plaintiffs, respectively, per-se sound similar to, but, entire packing of rival products are totally different. Hence, no passing off action is maintainable. In the submission of ld. Counsel the rival marks are required to be compared as a whole as used with a view to avoid any confusion or deception in the trade or in consuming

public. It was further submitted that the mark “ROFOL” and “PROFOL” are dissimilar and respective use of the respective marks in respect of trade dress get up and colour scheme are also totally different and, therefore, no passing off would take place. It was submitted that the appellant company is a running concern and is engaged in the business of manufacturing pharmaceutical products since 1998. They are the registered proprietor in India of the trade mark word containing “ROFOL” under No. 583227 dated October 19, 1992 in respect of pharmaceutical preparation in clause-V. The said mark has been renewed from time to time by the defendant and its registration is valid, subsisting and in force. According to the ld. Counsel for the appellant/defendant, the appellants are using the said trade mark “ROFOL” since 16.10.2000. It was therefore, submitted the impugned order will definitely affect the reputation and goodwill earned by the appellants/defendants amongst the doctors and consuming public etc.

14. Mr. Soparkar ld. Sr. counsel appearing for the respondents/plaintiffs, while supporting the order of the trial court at the out set, submitted that when the trial court has discussed the law on the subject and has given cogent and convincing reasons and when

nothing is submitted about the judgment, no interference is called. He has cited the decisions rendered by this Court in the case of **B.M. Amin vs. Nirma Chemical Works Ltd., reported in 2005(2) GLH p. 585 and in the case of Rampal Singh vs. Rais Ahmad Ansari and Anrs., reported in 1990 (suppl.) SCC P. 726.** He further submitted that the plaintiffs are first in point of time, users of the product and, therefore, they are entitled to get the injunction. According to him, words “PROFOL” and “ROFOL” are phonetically similar. By inviting my attention to the admission made by the defendants in the written statement, namely that two are likely to create the confusion in the marked, it was submitted that the plaintiffs are entitled to injunction restraining the defendants from selling the products “ROFOL”.

15. After having considered the arguments advanced before me and having also gone through the authorities on the point, I find substance in the submissions of Mr. Soparkar, namely, that when the trial court after appreciating the contentions has given cogent and convincing reasons, this court should not interfere unless it is shown that when the judgment of the trial court is erroneous and perverse. In other words, the

point raised before the trial court cannot be re-agitated in the appeal when it was properly appreciated by the trial court. This court, in the case of BM Amin vs. Nirma Chemical Works Ltd. (supra) after considering number of judgments on this point, held that the trial court was perfectly justified in granting the injunction in favour of the plaintiffs. Under the circumstances, no case is made out by the defendants to call for the interference by this Court in the impugned order. In the case of **U.P. Cooperative Federation Ltd. v. Sunder Bros., Delhi, reported in AIR 1967 SC 249,** in the matter under sec. 34 of the Indian Arbitration Act, it was held that the appellate court should be slow to interfere with the exercise of that discretion. In dealing with the matter raised before it at the appellate stage the appellate court would normally not be justified in interfering with the exercise of the discretion under appeal solely on the ground that if it had considered the matter at the trial stage it may have come to a contrary conclusion. If the discretion has been exercised by the Trial Court reasonably and in a judicial manner the fact that the appellate court would have taken a different view may not justify interference with the trial court's exercise of discretion. As is often said, it is ordinarily not open to the appellate court to substitute its own exercise of

discretion for that of the Trial Judge; but if it appears to the appellate court that in exercising its discretion the Trial Court has acted unreasonably or capriciously or has ignored relevant facts then it would certainly be open to the appellate court to interfere with the Trial Court's exercise of jurisdiction. **In Wonder Ltd. & Anr. vs. Antox India P. Ltd., reported in 1990 (suppl.) SCC 727,** the Apex Court considered the question whether there was a prima-facie case on which the respondent could be held entitled to restrain the appellant and the other company (appellant 2) with whom the separate manufacturing arrangement was entered into, from manufacturing and marketing goods under trade mark and whether on considerations of balance of convenience and comparative hardship a temporary injunction should be issued. The Ld. Single Judge of the High court refused the temporary injunction but on appeal a Division Bench of the High Court granted the same. Allowing the appeal, the Supreme Court held that :

> "The appellate court will not interfere with the exercise of discretion of the court of first instance and substitute its own discretion except where the discretion has been shown to have been exercised arbitrarily, or capriciously or perversely

> or where the court had ignored the settled principles of law regulating grant or refusal of interlocutory injunctions. An appeal against exercise of discretion is said to e an appeal on principle. Appellate court will not reassess the material and seek to reach a conclusion different from the one reached by the court below solely on the ground that if it had considered the matter at the trial stage it would have come to a contrary conclusion. If the discretion has been exercised by the trial court reasonably and in a judicial manner the fact that the appellate court would have taken a different view may not justify interference with the trial court's exercise of discretion."

16. Having gone through the reasonings of the ld. Trial judge, I am clearly of the opinion that the ld. Trial judge in his well reasoned judgment and order has considered the very contentions advanced before me by the defendant and rightly rejected the same by granting injunction in favour of the plaintiffs. In my opinion, the ld. Trial judge has exercised the discretion reasonably and in judicious manner and since I am in total agreement with the same, it is not possible for me to take a different view. I could have dismissed the appeal solely on this ground, however, with a view to see

that the defendant may not go with the feeling that its case is not independently considered by this court, I have undertaken this exercise to re-examine the case.

17. It is not in dispute that the defendant is a registered proprietor of the trade mark containing word “ROFOL” under No. 583227 dated October 19, 1992 in respect of pharmaceutical preparation in Class-V. It is also not in dispute that the defendant using the trade mark “ROFOL” since 16.10.1994 commercially for a range of Anaesthetic and allied preparation in a lemon yellow colour package. The plaintiffs, on the other hand, are using the trade mark “PROFOL” in April, 1998 when they made application before the Drug Controller of India and as per the order passed by this court in Company Petition No. 295/1999 in amalgamation proceedings, the plaintiff no. 1 has become the owner of entire business and assets of predecessor in title thereof on 17.2.2000 and, thereby the plaintiff no. 1 has become owner of the trade mark “PROFOL”. It is, therefore, the case of the plaintiffs that the trade mark “PROFOL” was used by the predecessor in title of plaintiffs openly, extensively and continuously in Indian market since 1998 and since the year 2000 the plaintiffs are using the trade mark and acquired distinguish place in the market, traders,

consumer and general public identify and recognize the plaintiffs product by trade mark “PROFOL”. In substance, the defendant no. 1 though registered in 1992, as far as the use of the product is concerned, defendants are in the market since 16.10.1994, while plaintiffs though unregistered, are using the trade mark “PROFOL” came in market in October, 2000 and marketing their product in a blue colour packet.

18. It is the contention of the defendant that it being registered proprietor, it cannot be restrained from using the trade mark “ROFOL”. In the submission of the ld. Counsel for the defendant that the brand name of the plaintiffs' and defendants' is derived by the generic name propofol and, therefore, the plaintiffs can not claim ownership over the said name. One more contention is raised by the appellants that as it had obtained registration, therefore, prior use means prior to the registration. But, in the present case, the respondents had used the mark after the mark was registered by the appellants and, therefore, the respondents are not entitled for the injunction. Ld. Counsel invited my attention to the judgment rendered by the Delhi High Court in the case of **P.M. Diesels Pvt. Ltd. vs. Thukral Mechanical Works, reported in PTC**

(Suppl.)(2)863(Del) p. 863. In this decision, the Delhi High Court observed as under:

> "Considering the provisions of sec. 33 of the Trade and Merchandise Marks Act, 1958 (Sec. 34 of the New Act), it was held that sec. 33 undoubtedly recognizes the right of a prior user of a trade mark. Because of the said provision the registered owner of the trade mark cannot restrain a prior user of the trade mark from using the said trade mark. Section 33 gives a right of user to the prior user of the trade mark, but it does not in any way take away the right of the registered proprietor from using the said trade mark. What the plaintiff wants by this application is that the registered owner of the trade mark should be restrained from enjoying its proprietory right in the said trade mark. Sec. 33 of the Act does not give any such right to the plaintiff. At best it would protect the right of the plaintiff to use the trade mark, if it can prove prior user, if the defendant wants to take any action against the plaintiff. In **N.R. Dongre vs. Whirlpool Corporation, reported in 1996 PTC (16),** the Delhi High Court has held that "registration of a trade mark does not provide a defence to the proceedings

for passing off as under Sec. 27(2) of the Act. A prior user of a trade mark can maintain an action for passing off against any subsequent user of an identical trade mark including a registered user thereof. Again this right is not affected by sec. 31 of the Act, under which the only presumption that follows from registration of a mark is its prima facie evidentiary value about its validity and nothing more. This presumption is not an unrebuttable one and can be displaced.

A reading of section 28(3) with section 30(1)(d) shows that the proprietor of a registered trade mark cannot file an infringement action against a proprietor of an identical or a similar trade mark. While sections 28(3) and 30(1)(d) on the one hand deal with the rights of registered proprietors of identical trade marks and bar action of infringement against each other, section 27(2) on the other hand deals with the passing off action. The rights of action under section 27(2) are not affected by section 28(3) and section 30(1)(d). Therefore, registration of a trade mark under the Act would be irrelevant in an action for passing off. Registration of a trade mark in fact does not confer any new right on the proprietor thereof than what

already existed at common law without registration of the mark. The right of goodwill and reputation in a trade mark was recognised at common law even before it was subject of statutory law. Prior to codification of trade mark law there was no provision in India for registration of a trade mark. The right in a trade mark was acquired only by use thereof. This right has not been affected by the Act and is preserved and recognized by sections 27(2) and 33".

19. This judgment in N.R. Dongre's case was carried in appeal by way of Civil appeal to the Hon'ble Apex Court, which is reported in **1996(16) PTC 583.** It was held by the Apex Court that "under sec. 27(2) an action for passing off against the registered user of trade mark is maintainable at the instance of a prior user of the same, similar or identical mark. Since such a remedy is available against the registered user of a trade mark, an interim injunction restraining him to use the mark can also be granted to make the remedy effective.

20. Applying this principle, I come to the conclusion that even though the defendant who registered the trade mark "ROFOL" in 1992, as per undisputed fact came in market only on 16.10.2004, the plaintiffs, though

unregistered, **using "PROFOL"** as their trade mark, came in market in November, 2000, acquired reputation and goodwill in respect of its goods bearing trade mark "PROFOL" in the country, prima-facie, therefore, appears that buyers are likely to be confused as to the origin and source of goods. They will believe that the product is manufactured by the defendants as between the names "ROFOL" and "PROFOL" there is hardly any dissimilarity. The imitation will pass off as genuine, in my opinion, no one can be permitted to trade by deceiving or misleading the purchasers or to unauthorisedly derive to its reputation and goodwill to the others. Ld. Counsel appearing for the plaintiffs invited my attention to para-5,8 and 12 of the written statement. Having gone through the same, it is an admitted position that the defendant has categorically admitted that the word "PROFOL" and "ROFOL" sound similar and, therefore, in my opinion, the plaintiffs have made out a prima facie case that the rival trade mark which will lead confusion and deception in the minds of traders and buyers. From the record, it appears that plaintiff no. 2 had obtained permission for manufacturing the product "PROFOL" on 13.10.2000 from Food and Drug Department, Ahmedabad, as can be seen from the document mark 4/11, which was

subsequently renewed on 20.6.2003. This establishes the prior use and adoption of the mark “PROFOL” prior to March, 1998, while plaintiff no. 1 is in the use of mark since 2000. From the document mark 4/35 to 4/41 which are sale invoices of the licence of the predecessor of plaintiff no. 1 Core Health Care Ltd., of the year 1989-90. The said invoices of sale is also produced at mark 4/21 to 4/34 showing the sale of plaintiff no. 2 from 2000-2004. This, in my opinion, will go to show that plaintiff is in use of the mark from 1998-99 by plaintiff no. 1 and from 2000 by plaintiff no. 2. As the defendants have used the mark “PROFOL” from 16.10.2004, it is clear that the plaintiffs are prior adopter and user and defendant is subsequent user of the mark. From the document mark 4/13, it is clear that the sales of the plaintiff's company of Rs. 22.11 crores and mark 4/14 is a promotional expenses of 1.50 crores for the products.

21. As stated above, the Apex court in the case of N.R. Dongre (supra) has clearly laid down that under sec. 27(2) an action for passing off against registered user of trade mark is maintainable and at the instance of the prior user of the same, similar or identical mark, remedy is available against the registered user of the trade

mark and interim injunction restraining him to use the mark can also be granted to make the remedy effective. There are catena of decisions on this point of this Court as well as of different High Courts. This Court in the case of **Shree Sainath Industries vs. Sainath Auto Industries, reported in 2004(2) GLR p. 1314,** has held that “in the present case, all the three essential ingredients for an action of passing off are present, namely, prior use, establishment of goodwill and reputation and chance of future loss by virtue of the use of such deceptively similar trade name or device. The appellant, has therefore, a prima facie case in its favour. Balance of convenience is also in its favour and if the interim injunction is not granted in favour of the appellant, it may cause future loss to the appellant. Ultimately, on the objective scrutiny of the records and documents, the Court would have to come to a conclusion, may be based on subjective satisfaction as to whether the respondent is liable for an action of passing-off or as to whether the appellant is entitled to an interim injunction and if an answer to this question is in the affirmative, there is no reason to deny this interim injunction to the appellant. “ In the case of **Amar Nath Chakroborty vs. Dutta Bucket Industries & Ors., reported in 2005(30) PTC 496 (Cal),it** was held that “though the

defendant has obtained the registration of his mark "MAJ", such fact cannot take away the Common Law Right of the plaintiff to have an injunction restraining passing off, since it appears that the plaintiff is the **earlier user** of the trade mark TAJ". In the instant case also, both the marks are found to be phonetically similar, not only that, but there is similarity in the size of the products, merely because the colour combination of the packet are different, there are every possibilities of deception of the common people who are ignorant of details of writing and are not efficient in English.

The case of **Dhariwal Industries Ltd. vs. M/s. M.S.S. Food Products, reported in 2005 AIR SCW 1241,** was a case before the Apex Court, where neither party has registered trade mark as on the date of the suit, inspite of the same, the Apex Court, held that it cannot stand in the way of entertaining the claim of the plaintiff and granting the plaintiff an injunction in case the plaintiff is in a position to show prima facie that it was **the prior user** of its mark, that it had a prima facie case and that the balance of convenience was in favour of the grant of an interim injunction.

22. Ld. Counsel Mr. Soparkar by inviting my attention to

the case of **Milment Oftho Industries and others vs. Allergan Inc., reported in AIR 2004 SC 3355,** has submitted that the ultimate test should who is first in the market. In the said judgment, it was held that "whilst considering the possibility of likelihood of deception or confusion, in present times and particularly in the field of medicines, the Courts must also keep in mind the fact that now a days the field of medicine is of an international character. Doctors particularly eminent doctors, medical practitioners and persons or Companies connected with medical field keep abrest of latest developments in medicine and preparations worldwide. Medical literature is freely available in this country. Doctors, medical practitioners and persons connected with the medical field regularly attend medical conferences, symposiums, lectures etc. It must also be remembered that now a days goods are widely advertised in newspapers, periodicals, magazines and other media which is available in the country. This results in a product acquiring a world wide reputation. Thus, if a mark in respect of a similar drug is allowed to be sold in India. However, one note of caution must be expressed. Multinational Corporation, who have no intention of coming to India or introducing their product in India should not be allowed to throttle an Indian Company by not permitting it to

sell a product in India, if the Indian Company has genuinely adopted the mark and developed the product and is first in the market."

23. Ld. Counsel for the defendant submitted that the brand name of the plaintiffs and defendants is derived by the generic name PROPOFOL and, therefore, the plaintiffs cannot claim ownership over the said name. This submission of the appellants is contrary to their own case stated in para-4 of the written statement. It is an admitted fact that generic name PROPOFOL, both the marks of the plaintiffs and defendants are derived from it and, therefore, I see no merits in the submission that it is the generic name. Assuming that it is a generic name, the defendant cannot obtain registration, as sec. 9(b) of the Trade Mark Act which prohibits the mark having generic name.

24. It was submitted by the Ld. counsel for the defendant that the drug is of Schedule-H and it is to be sold by the qualifying dispensing chemist or druggist on production of prescription of a physician and it cannot be sold over the counter as it is a specialised drugs for Anaesthetic purpose and, therefore, phonetical similarity does not bear any significance. To substantiate this argument, a reliance

was placed on the judgment in the case of **Cadila Health Care Ltd. vs. Cadila Pharmaceuticals Ltd., reported in AIR 2001 SC 1952,** wherein, the Apex Court has held as under:

> "Broadly stated in an action for passing off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors to be considered:
>
> (a) The nature of the marks i.e. Whether the marks are word marks or label marks or composite marks, i.e. Both words and label works.
>
> (b) The degree of resemblances between the marks, phonetically similar and hence similar in idea.
>
> (c) The nature of the goods in respect of which they are used as trade marks.
>
> (d)The similarity in the nature, character and performance of the goods of the rival traders.
>
> (e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.
>
> (f) The mode of purchasing the goods or placing orders for the goods and,

(g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks. Weightage to be given to each of the aforesaid factors depends upon facts of each case and the same weightage cannot be given to each factor in every case."

However, this judgment of Cadila Health Care Ltd. Has been considered in the latter decision by the Supreme Court in the case of **Milment Oftho Industries and ors. vs. Allergan Inc. (AIR 2004 SC 3355),** wherein the view is taken that in respect of medicinal products, it was held that "exacting judicial scrutiny is required if there was a possibility of confusion over marks on medicinal products because the potential harm may be far more dire than that in confusion over ordinary consumer products. Even though certain products may not be sold across the counter, neverthless it was not uncommon that because of lack of competence or otherwise that mistakes arise specially where the trade marks are deceptively similar. That confusion and mistakes could arise even for prescription drugs where the similar goods are marketed under marks which looked alike and sound alike. The physicians are not immune from confusion or mistake. It was common knowledge that many prescriptions are

telephoned to the pharmacists and others are handwritten, and frequently the handwriting is not legible. These facts enhance the chances of confusion or mistake by the pharmacists in filling the prescription if the marks appear too much alike." In my opinion, the above observation answers the contention of the ld. Counsel for the appellant/defendant.

25. On the contention of the appellant/defendant that it is not clear from the pleadings of the plaintiffs that who is predecessor in title of the plaintiffs of the suit trade mark, as there is no document declaring the plaintiffs predecessor in title of the mark produced before the court, it was contended that it is a material suppression of facts and, therefore, the trial court could not have granted the injunction. In my opinion, the trial court rightly observed that it is not a material suppression of the fact, namely, who is the owner of the mark as it may be an inter-se dispute between the plaintiff no. 1 and 2. In any case, while deciding the application for interim injunction, the court is not required to decide the said dispute at that time as it would be a matter of evidence. In any case, when both the plaintiffs have come to the court as plaintiffs, the trial court rightly granted

injunction as prayed for. Apart from that, the plaintiffs had come to the market before the defendants and even if the use by predecessor of the plaintiffs is excluded, in that case also, the plaintiffs are prior to the defendants. I, therefore, see no merits in this submission also.

26. On the contention of the appellant/defendant that the defendants had obtained registration but the plaintiffs have used the mark after the mark was registered by the defendants and, therefore, the trial court illegally granted injunction in their favour, I see no merit in the submission. I have gone through the judgment cited on this point by the appellant/defendant in the case of **Wintrop Products Inc. vs. Eupharma Laboratories Ltd., reported in 1998 PTC (18) 213,** in the case of **Marion Merrell Now Inc. vs. Unichem Laboratories Ltd.,** and in the case of **Geoffrey Manners & Co. vs. Megapharma Laboratories, PTC (suppl)(2) 11 (Bom).** However, in view of sec. 33 which has been enacted for the specific purpose of saving the rights of proprietors of marks whose user has been anterior in point of time to that of a proprietor of a registered trade mark, that is to say the registration of a trade mark by a proprietor will not affect the user of an identical or nearly resembling mark by

another proprietor if the second mentioned proprietor has used the same on his goods prior to the registration of the mark of the first mentioned proprietor. The said provision further provides that Registrar has to permit registration of such a mark by enacting that the Registrar shall ignore the registration of the mark of the first mentioned proprietor. This is consistent with the common law that no person shall affect the rights of another in relations to trade marks merely because his mark is placed upon the Registrar prior to that of a proprietor of a mark who has used his mark anterior in point of time but has failed to register. In my opinion, sec. 33 of the Act which is enacted only to save such rights and no more. I, therefore, see no merits in the submission.

27. Thus, considering the matter from all the angles, I see no merit in the submissions advanced before me by the ld. Counsel for the appellant/defendant. The trial court, in my opinion, has rightly granted injunction in favour of the plaintiffs till the disposal of the suit. Suffice it to say that I am in total agreement with the reasonings and the conclusion reached by the trial court. There being no substance in the appeal, it is dismissed.

(KSHITIJ R. VYAS,

J.)mandora/